

VZCZCXRO6756
RR RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHUP #0570/01 0801550
ZNY CCCCC ZZH
R 211550Z MAR 06
FM AMEMBASSY BUDAPEST
TO RUEHC/SECSTATE WASHDC 8771
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 BUDAPEST 000570

SIPDIS

SIPDIS

DEPARTMENT FOR EUR/NCE MICHELLE LABONTE

E.O. 12958: DECL: 03/21/2016

TAGS: [PGOV](#) [KDEM](#) [SOCI](#) [ECON](#) [PINR](#) [HU](#)

SUBJECT: HUNGARY'S ELECTIONS: FORMER FM SAYS FIDESZ WILL
WIN AND IS COMMITTED TO THE TRANSATLANTIC RELATIONSHIP
(C-RE6-00145)

REF: STATE 22644

Classified By: DCM Philip Reeker. Reasons 1.4 (b) and (d).

Summary

¶1. (C) FIDESZ will win the elections, said Viktor Orban's former Foreign Minister Janos Martonyi on March 20, citing the FIDESZ victories in two local by-elections over the weekend. Martonyi said chilly FIDESZ relations with Washington will improve, because his party is "very committed to the transatlantic relationship and the alliance." Health care and reducing the size of government top the domestic issues list. Martonyi criticized comments by FIDESZ Deputy PM nominee Istvan Mikola for suggesting that voting rights for ethnic Hungarians abroad will "keep FIDESZ in power for twenty years." Martonyi said no matter the outcome, Orban will remain a figure in Hungarian politics, although he will resign as party president if he loses. Negative campaigns are an unfortunate reality in Hungary, said Martonyi, but given the role played by American campaign advisors, "nobody should be surprised."

Foreign Affairs Issues

¶2. (C) In a relaxed, friendly lunch meeting March 20, former FIDESZ Foreign Minister Janos Martonyi told DCM that if FIDESZ wins, it "will be committed to the transatlantic relationship" and will support the U.S. led alliance in the global war on terror. Martonyi acknowledged U.S. concerns stemming from FIDESZ's 2004 decision not to support extending Hungary's mandate in Iraq, but noted that it was a tough "domestic decision." Hinting that proceeding under a NATO flag in Iraq would have been more acceptable for Hungarians, he said the FIDESZ decision was in line with the principles of "most intellectuals, even in the U.S." and that FIDESZ has always supported U.S. efforts in Afghanistan. Martonyi called opposition party FIDESZ the "party of principle" and the governing MSZP the "party of pragmatism" saying it is much easier to be pragmatic for political (or diplomatic) gain.

¶3. (C) Martonyi was exuberant in his praise for the March 15 1848 and 1956 anniversary commemoration event at the U.S. Capitol, noting that it was an historical event for Hungary. He welcomed the President's remarks, particularly since he understood it was unlikely that the President himself would visit Hungary for the official '56 commemoration. He thanked the Embassy and Ambassador Walker for their role in the event, and dismissed negative press stories, which had suggested that the event was politically-motivated.

14. (C) Martonyi said he was "very unhappy" with former Minister of Health Istvan Mikola's comments about ethnic Hungarians living abroad, saying his comments were "only a joke" and not to be taken as a FIDESZ political tactic. (Note: Mikola was recently tapped by Viktor Orban to fill a proposed slot as Deputy Prime Minister if FIDESZ wins). The issue of ethnic Hungarians living in border countries is a perennial issue, but one largely muted in this election, until Mikola quipped "after FIDESZ wins, 5.5 million Hungarians will gain the right to vote, ensuring the party will dominate politics for the next twenty years." FIDESZ has long championed a regionally controversial initiative to extend citizenship and voting rights to Hungarian minorities living abroad, much to the chagrin of the EU, Romania, Serbia, Ukraine and Slovakia. (Both Mikola and FIDESZ subsequently distanced themselves from Mikola's "quip" about ethnic Hungarians abroad.)

Domestic Issues

15. (SBU) Health Care tops the FIDESZ domestic policy agenda, according to Martonyi, who said the high costs of disability pensions are crippling the system. Although he offered no specific recommendation for a health care overhaul, Martonyi alleged that many working-age Hungarians scam the health care system by bribing doctors to declare them eligible to collect meager a "disability pension" and then illegally work an undeclared "gray market" job to make ends meet.

16. (SBU) Reducing Hungary's flabby civil service is another top priority should FIDESZ prevail. Whichever the winning party, it "must work with the opposition" to cut the size of

BUDAPEST 00000570 002 OF 002

Hungary's government, which currently employs 809 thousand workers. Martonyi questioned however, whether either side had the will to tackle the politically-charged issue before the fall 2006 local elections. He said that FIDESZ appreciates voters' "nostalgia" for the stability of communist era institutions that guaranteed basic services, housing and subsistence, but that costs had to be cut.

The FIDESZ Campaign

17. (SBU) Negative campaigns, are an unfortunate reality in Hungarian politics, said Martonyi, who faulted the MSZP for running an ugly race. Gyurcsany's campaign features "constant personal attacks" against Orban, said Martonyi who asked, "why are you surprised?...we learned this from the U.S. experts" who manage both campaigns.

18. (SBU) Martonyi said FIDESZ will win the election if it is leading the MSZP by three percent or more after the first round. He pointed to mayoral elections in Szentendre and Mosonmagyaróvár over the weekend to bolster his prediction (Note: in Szentendre, the FIDESZ mayoral candidate won the by-election by more than twenty percent.) Even if the SZDSZ could surpass the five percent threshold (which Martonyi predicted it would not), the three percent margin would be enough for FIDESZ to win outright. He said Hungary's notoriously biased opinion polls "considered as a whole" favor FIDESZ and are "reliable enough" to make an informed prediction.

19. (SBU) The "far right" MIEP and JOBBIK parties are not serious contenders, according to Martonyi, but they can effect the outcome of the race by taking votes away from FIDESZ. He again noted the recent mayoral race in Szentendre, where he contended that the far right fared better than expected. Martonyi suggested that MSZP had been pitching for far left votes in presenting a "National Day decoration" to communist-era Deputy Prime Minister József

Marjai. Martonyi predicted that come election day, the far left/communist "Munkaspart" could give the Socialists a few valuable percentage points in an extremely close race.

¶10. (C) Should FIDESZ win, Martonyi acknowledged that he would serve as foreign minister, if Orban called on him. In the event of a loss, "Orban will resign as party president and quietly slip out of politics for a while." Orban is "young and well connected" and will be on the political scene for many years to come, even if he is defeated in 2006, according to Martonyi.

Comment

¶11. (C) Martonyi's comments track with those of other FIDESZ contacts in recent weeks. The March 18 FIDESZ party congress outlined many of the same priorities including health care and the theme of working with partners (especially EU member states) on foreign affairs issues. FIDESZ is optimistic about the outcome of the elections, but the race remains too close to call at this point. As Martonyi noted about the far left and right parties, even the smallest faction of votes could tip the balance in this very close election. While Martonyi was cautiously optimistic about the election outcome, his openness and professionalism in dealing with the Embassy and the USG is genuine.

¶12. (C) Visit U.S. Embassy Budapest's classified website:
www.state.sgov.gov/p/eur/budapest/index.cfm.
WALKER